ASEAN ECONOMIC MINISTERS’ CONSULTATIONS WITH ASEAN BUSINESS ADVISORY COUNCIL
14 September 2022
Extra-ordinary times call for extra-ordinary unity and resolve for ASEAN economic recovery and resilience!
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<th>Strategic Priority Areas for Discussion and AEM Action</th>
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Pak Bernardino Vega
Chair, ASEAN BAC Indonesia

RCEP

Solidifying ASEAN Centrality and completing the homework.
ASEAN – RCEP can massively accelerate recovery
RCEP has the potential to increase economic uplift for participants

RCEP: Nations signed up to world's largest free trade deal

- Massive trade growth
  RI – China trade YoY since 2014
  58%

- Tariff elimination
  Percentage of tariffs eliminated on traded goods by year 10
  90%

- Significant export growth
  Percentage of growth in combined exports of RCEP member states by 2025
  10%

- Net increase in exports by 2030
  US$519 Bn

- Significant National Income uplift
  Net gain of RCEP member states by 2025
  US$186 Bn
ASEAN BAC Indonesia believes full and unequivocal execution of RCEP is critical
Deeper economic integration within ASEAN, trading partners key to recovery

Current status of RCEP:

– ASEAN remains incomplete with regard to RCEP Ratification. Indonesia to follow shortly.
– Slow pick up utilization vis a vis ATIGA (which also has its own utilization challenges).
– Lack of understanding and capacity to utilize such complex and biggest regional FTAs especially for SMEs.
– Trade facilitation reforms under AEC Strategic Blue Print 2025 especially to address protection driven NTMs and NTBs remain undelivered. ASEAN's competitiveness is the big homework.

Imperatives moving forward:

– ASEAN BAC Indonesia is supportive of the creation of a RCEP Business Advisory Council (RBAC) under East Asia Business Council.
– RBAC should be allowed to effectively interact in regular dialogue with its public sector counterpart -- the SEOM and Your Excellencies under an ASEAN plus 5 platform.
– Need more information and guidance from an RCEP monitoring unit of ASEAN Secretariat, in partnership with knowledge partners like CARI to identify challenges and work out solutions.
– Step up campaign for RCEP appreciation and invigorate AMS to more actively process JBC Trade Facilitation recommendations agenda.
Healthcare: State of Play

Do we wait until another crisis strikes?

Tan Sri Dato' Dr. Mohd Munir Abdul Majid
Chair, ASEAN BAC Malaysia
Healthcare Risk: *Waiting for another crisis to strike.*

1. The State of Play:

   a. The Pandemic is NOT Done yet.

   b. Need for more vigilance, preparedness, agility, ease of access to preventive healthcare, etc.

   c. No breakthrough in private sector’s desire for more regular and deeper consultation with ACCWGPHE and ACPHEED and other relevant forums.
Healthcare Risk: *Waiting for another crisis to strike.*

2. **Key Learnings and Recommendations**

   a. Pooled Procurement of vaccines, diagnostic and therapeutic kits and other medical devices is the way forward.

   b. Setting up of ACPHEED was good regional response.

   c. Ensure an enabling environment for:

   i) *harmonization of digital health platforms aligned with global best practice,*

   ii) *optimise delivery of healthcare services and facilities like hospital beds and quarantine centers during surge episodes,*

   iii) *reduce secondary and tertiary healthcare costs by promoting and improving primary and preventive healthcare,*

   iv) *work with pharma and private hospitals to cut cost and gain access to affordable drugs,*

   v) *transform ASEAN into be a clinical research hub with enhanced laboratory and technical genomic sequencing capacities, among others.*
Tan Sri Dato' Dr. Mohd Munir Abdul Majid
Chair, ASEAN BAC Malaysia

Green Energy Transition

Green Energy Transition for True Zero

ASEAN BUSINESS ADVISORY COUNCIL

ASEAN CAMBODIA 2022
ASEAN A.C.T.: Addressing Challenges Together
Green Energy Transition for True Zero

1. Use of ENERGY constitutes three fourths of greenhouse gas emissions from human activities. It MUST BE ADDRESSED in the challenge of climate change.

2. Global warming is now self-evident:
   a. surge in temperatures, forest fires, rise in sea levels, devastating floods etc.
   b. 77% of Southeast Asians living along the coast or in low-lying deltas
   c. 2019 Indonesia:
      • 46% of the season zones in the country experienced longer dry seasons
      • up to two months nearly 10% decline in rice production.
      • Losses in forest fires that year amounted to $4.9 billion.

3. EU’s CBAM (Carbon Border Adjustment Mechanism) set to be introduced in 2023.
4. ACE: total investment required for capacity expansion in 2018–2040 is $584 bn in the Baseline Scenario, $486 bn in the ATS (AMS Targets Scenarios), and $508 bn in the APS (APAEC Target Scenario).

Indonesia: RE potential is 3600GW of which currently only 11,600MW being generated (0.3%) of total RE potential is generated.
5. Anticipate shortage from the investment supply side who must be vigorously attracted. Good to note that 90% of pension schemes are now considering ESG risks in their investments. And many institutional investors plan to STOP investment in non-ESG products by the end of this year.

6. **There should be a public-private ESG framework for implementation of Green Energy Transition for ASEAN.** It should address holistically the following issues:
   
   a. government measurement and intervention in Green Energy performance of the business sector;
   
   b. carrot and stick fiscal approaches;
   
   c. avenues of Green Energy Transition financing.
Digital Transformation

Priority Pathways for Digital Transformation in ASEAN

Ms. Haslina Taib
Chair, ASEAN BAC Brunei
To promote cooperation and coordination among members from the digital transformation industry and governments in ASEAN

To provide a collaborative channel for impactful and influential dialogue between members and global technology partners in ASEAN

To champion digital platforms and focus areas, either regional or member-led, in support of ASEAN Digital Economy initiatives
AKREDI: Facilitating ASEAN Digital Economy

Supporting ASEAN Initiatives

- ASEAN Digital Economy Masterplan 2025
- Bandar Seri Begawan Roadmap 2021
- ASEAN Digital Integration Framework Action Plan (DIFAP) 2019-2025

Seeking AEM Steer on

- ASEAN Secretariat and DIFAP Endorsement
- ASEAN Sectoral Body Support for Cross-Border Dataset Standardisation
- Funding Recommendations via DIFAP and / or other avenues
- Championing ASEAN-wide User Participation and Co-Creation
- Appointment of Platform Operator

Secured on blockchain technology

Protects data sovereignty & privacy

Opportunities regional digital services

- ASEAN Unique Business Identification Number (UBIN)
- ASEAN Business Digital Identities
- ASEAN Interoperable QR Code Framework
Driving Connectivity Across ASEAN

Solutions to manage the recovery and growing pains.

Atty. Rachel Eng
ASEAN BAC Member, Singapore
DRIVING CONNECTIVITY ACROSS ASEAN

Video link: https://drive.google.com/file/d/1nnMbjVinK4hx25DRTiaXV9RTgml3h_QN/view?usp=sharing
Growing SGConnect™ & ASLN Footprints

EXISTING PROJECTS

- Vietnam SuperPort™ (VSP): 1st project under the SGConnect™ & ASLN and connecting China-ASEAN trade
- Cambodia SuperPort™ (PPLC): 2nd project under the SGConnect™ & ASLN, supporting ASEAN Connectivity Master Plan 2025
- Singapore Supply Chain City® (SCC): the Centre of Excellence (COE) of SGConnect™ & ASLN
- Indonesia SuperPort™: 3rd project under the SGConnect™ & ASLN

GROWING FOOTPRINTS

- 2017
- 2020
- 2022
- 2023
- 2023 & beyond…
Inaugural ASEAN Supply Chain Webinar (28 July 2022)

With close to 300 registrations and 150 online participants

“A starting point & a common platform for the ASEAN community to come together to share their perspectives and knowledge to potentially address the regional supply chain challenges and mitigate risks.”
Launched in 2019, the ASEAN Applied Research Centre (AARC) was supported by the ASEAN Business Advisory Council (ASEAN-BAC) to focus on applied research areas that are important to the sustainability of ASEAN’s supply chain growth and transformation.

We aim to create an open platform to promote knowledge sharing, allowing the ASEAN community to develop solutions through applied research.

Project Initiatives

1) Multimodal Transportation Optimization – First, Middle, Last Mile
2) Humanitarian Logistics - Disasters Management Project (AHA, TF & IFRC)
3) AI Singapore Natural Language Processing (AI SG)

Our Project Leaders

Dr. Simon See  Prof. Robert de Souza  Prof. Lau Hoong Chuin
Proposing to launch the Logo for AARC & hold MoUs signing with Knowledge Partners at ASEAN Business and Investment Summit (ABIS) 2022

Knowledge Partners

[Logos of participating institutions]
ASEAN Job Creation

Baseline for economic recovery and empowering MSMEs.

Ms. Jopin Romero
Senior Advisor, ASEAN BAC Philippines
ASEAN Jobs Intensification and Livelihood Empowerment - AJILE

A 5-Points Strategy:

1. New Focus: Upskilling, reskilling workers and talent towards Green and Sustainable Jobs.

2. Intensify Promotion of Foreign Direct Investments and Domestic Investments in Digital and Green Technologies to help build a robust Green Jobs Market.

3. Incentivize enterprises who provide market-driven compensation and skilling programs.


5. Set up an AJILE public private partnership platform with private sector to be represented by ASEAN Business Advisory Council’s ASEAN Mentorship for Entrepreneurs Network (AMEN) and Harnessing Impact with Resilient Employability Digital (HIRED) Legacy Project Proponents and ASEAN Future of Work Council together with other knowledge partners and stakeholders. This platform will coordinate and optimize existing related stand-alone platforms and programs.
Digital Trade Connect

Imperative of a clear Tone from Top to push Digital Trade and consequent soft and hardware mechanisms under PPP platform.
Thailand National Digital Trade Platform (NDTP) and Regional Connectivity

International Trade

NDTP “B2B”

ASEAN Single Window (ASW)

Regional Connectivity

Other Intl Trade Stakeholders

Banks

Insurance Providers

Logistic Providers

Exporters / Importers

ASEAN Member’s Platform

APEC Member’s Platform

APEC

Other Intl Trade Stakeholders

Banks

Insurance Providers

Logistic Providers

Exporters / Importers

e2e Efficiency Improvement

Trade Financing Facilitation
There are 3 parts of international trade connectivity:

• B2B / B2G / G2G

What Need to be Done to Transform Paper Base and Manual Processes to End-to-End Digital Trade

• Ecosystem to Enable and Facilitate Digital Transactions and Digital Trade Related Documents
• Digital Trade platform – End-to-End Digital Connectivity
• Guideline on Standards and Interoperability
• Cross-border Connectivity and Interoperability
Recommendation - Way Forward on ASEAN-BAC Digital Trade Connect Legacy Project:

• **Tone from the Top:** the mandate and political will from the ASEAN Leaders and ASEAN Economic Ministers on the imperatives of digital trade connectivity at regional and national levels.

• **Our Premise:**
  - Actively pursue the two parallel and converging streams,
  - National Digital Trade Platforms in each ASEAN countries
  - Regional Digital Trade Platform Connectivity and Interoperability with coordination and synchronization between all drivers and stakeholders from the private and public sectors.

• **b) Bring everybody on board from the very start** to help us identify the gaps and address them forthrightly in order to avoid any development division and not leave anyone behind.

• **Translating the Mandate to Build the Policy and Operational Digital Environment:**
  - Formal set-up of an appropriate and seamless platform or working groups with representations from concerned inter-agencies and cross-sectoral focal points to execute the mandate and make things happen to avoid going around in circles without assigning clear responsibility and accountability from those who need to be actively involved.
  - Seek support from the rest of ASEAN both private sector and public sector
Mr. Oudet Souvannavong
Chair, ASEAN BAC Laos

Strengthening Private Sector Voice

PPP Platform: Reality or Myth
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<th>Priority Action</th>
<th>Existing/ New PPP Platforms</th>
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<td>1&lt;sup&gt;st&lt;/sup&gt; RCEP – Deeper Economic Integration translates to Resiliency</td>
<td>Establish RCEP Plus 5 Platform with RCEP BAC under the auspices of East Asia Business Council, with SEOM and AEM Plus 5. Regularize ASEAN BAC and JBC engagements in all Trade Facilitation related consultative committees.</td>
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<td>2&lt;sup&gt;nd&lt;/sup&gt; Healthcare</td>
<td>Invite ASEAN BAC Healthcare Working Group as regular participant in ACCWGPHE and ACPHEED meetings and related working level committees.</td>
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<td>3&lt;sup&gt;rd&lt;/sup&gt; Green Energy Transition</td>
<td>Invite ASEAN BAC GSE Working Group in Circular Economy and related sustainability consultative committees.</td>
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<td>4&lt;sup&gt;th&lt;/sup&gt; Digital Transformation</td>
<td>Invite ASEAN BAC Digital Transformation Working Group in appropriate consultative committees in support of using digital innovation for Tourism and other sectoral bodies.</td>
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<td>5&lt;sup&gt;th&lt;/sup&gt; Supply Chain Connectivity and Resilience</td>
<td>Invite ASEAN BAC in Transport, Supply Chain, Smart Cities and Master Plan for ASEAN Connectivity (MPAC) related consultative committee meetings.</td>
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<td>6&lt;sup&gt;th&lt;/sup&gt; MSME’s Jobs Creation Focus</td>
<td>Invite ASEAN BAC in ACCMSME meetings and set up ASEAN Jobs Intensification and Livelihood Empowerment platform.</td>
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<td>7&lt;sup&gt;th&lt;/sup&gt; Digital Trade Connect</td>
<td>Establish an ASEAN Digital Trade Connectivity PPP Platform and invite ASEAN BAC and relevant champions and stakeholders to participate in establishing the ASEAN Digital Trade Connectivity RoadMap.</td>
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Mr. Nguyen Quang Vinh
ASEAN BAC Chair Vietnam

Circular Economy - Our Sustainable Future
Myanmar Business Update

Current Situation

- Myanmar’s private sector is responsible for 85% of the country’s revenue and employs over 90% of working population.
- Before COVID-19, Myanmar GDP stood at US$ 86 billion, and now is around US$70 billion*.
- COVID-19 restrictions are lifted and travel routes are open to foreigners.

Challenges

- Distressing levels of inflations are putting immense pressure on the private sector.
- Increasing fuel prices resulted disruptions in production and connectivity in logistics.

*Source: The World Bank Indicator
Myanmar Business Update

Myanmar’s Economic Outlook

- Firms resumed operations at a higher capacity in 2022 than in 2021*: Manufacturing, Construction and retail sectors.

- Currently, foreign investments are underway and being approved.

- Human Resource are still underdeveloped, and in need of investments.

- Digital innovation is motivated, but utilizing technologies are not being efficient.

- Reshaping regional trade landscape by the continual development of the ASEAN Economic Community.

*Source: Myanmar Economic Monitor July 2022, Reforms Reversed by The World Bank
Closing and Thank you.

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